

# Contribution of Agriculture to Wisconsin

## Agricultural Activity's Contribution to Wisconsin Employment 2012

Agriculture has historically been considered a backbone of the Wisconsin economy. Over time, however, other components, such as the service producing sectors including tourism-recreation and business services to name a few, have grown more important. This raises the question, how much does agriculture contribute to the modern Wisconsin economy. Using data from 2012, the most current year available, we seek to provide insights into that fundamental question.

Using an input-output model of the Wisconsin economy and several sub-regions to capture the multiplier effects we find that agriculture, both on-farm and food processing activities, contributes about 413,500 jobs which is 11.9% of total employment within Wisconsin. This compares to 354,000 jobs from the previous contribution of agriculture analysis by Deller and Williams (2009) which explored 2007 data. This represents an increase of almost 59,500 jobs, an increase of 16.58 percent. This increase is considerable given the drought conditions in southern Wisconsin in 2012.

### All Agriculture (No Forestry)

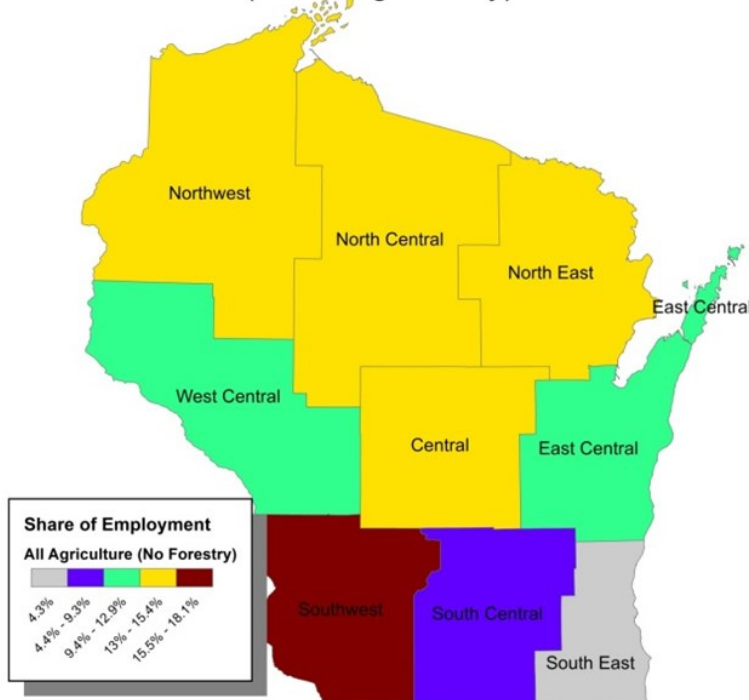
	Employment	(%)
Wisconsin	413,513	11.9%
North West	22,676	15.4%
North Central	29,608	15.1%
North East	12,304	15.4%
West Central	37,284	12.9%
Central	23,793	14.3%
East Central	79,339	12.3%
South West	24,231	18.1%
South Central	57,933	9.3%
South East	50,893	4.3%

If we look across Wisconsin we observe significant variation in the contribution of agriculture, including on-farm and food processing activities to regional employment. For example, in absolute terms agriculture contributes 79,300 jobs in East Central Wisconsin which amounts to 12.3 percent of total employment in the region.. Even in South East Wisconsin,

which is dominated by the Milwaukee Metropolitan area, agriculture contributes almost 51,000 jobs, which accounts for 4.3% of the region’s total employment. Other areas that are uniquely dependent on agricultural and its related activities for economic activity includes the South West region where 18.1% of all jobs can be traced to agriculture, the North West and North East where agriculture accounts for 15.4% of each region’s total employment. So in terms of absolute and relative levels of employment dependency, agriculture remains an important and growing part of the Wisconsin economy.

It is important to keep in mind that agriculture is defined here as both on-farm activities and food processing. The latter includes things such as cheese and beer brewing as well as commercial bakeries and meat processing. As we have seen in other fact sheets in this series, de-

Share of Employment from All Agriculture  
(excluding forestry)



pending on the region of interest, food processing can be the dominate economic force. As such, when we think about agriculture we must think in terms of a vertically related economic cluster where on-farm and food processing are intertwined and dependent upon each other. In other words, on-farm and food processing in Wisconsin are two sides to the same economic coin. Comprehensive policies aimed at fostering agriculture as a viable economic cluster within Wisconsin must take a broader view of agriculture.

### **Methods of Analysis**

In this study we use an input-output model of the economy at the state level and the nine sub-regions of Wisconsin defined by National Agricultural Statistic Service (NASS). Input-output models can be viewed as a “spreadsheet” of the economy where buyers or demand move across the columns of the spreadsheet and sellers or supply move down the rows. An individual cell of the spreadsheet captures the dollar flow from sellers (supply) and buyers (demand). A key to the model is that the economy is in “equilibrium” or demand equals supply. In this framework we can trace how changes in one sector ripples throughout the entire economy. These ripples are widely known as the “multiplier effect”. For this study these multipliers are custom to the region we are examining and reflect the economy in 2012.